



# TaxNewsFlash

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## KPMG reports: New Jersey (proposed changes to corporate tax law); Rhode Island (virtual services subject to sales and use tax); South Dakota (temporary reduction in sales tax rate)

KPMG This Week in State Tax—produced weekly by the KPMG State and Local Tax practice—focuses on recent state and local tax developments.

- **New Jersey:** Assembly Bill 5323, which was formally introduced in the state legislature on March 20, 2023, would make significant revisions to New Jersey's corporation business tax laws, including making changes to the definition of entire net income and the rules requiring combined reporting.
- **Rhode Island:** The state tax authority confirmed in Ruling Request No. 2023-01 that infrastructure as a service (IaaS), platform as a service (PaaS), and software as a service (SaaS) are all subject to sales and use tax as long as there is a charge to a Rhode Island customer for the use of the virtual infrastructure, platform, or for software that is accessed through the internet or on a vendor-hosted server.
- **South Dakota:** Recently enacted legislation temporarily (until June 30, 2027) reduced the gross receipts tax rate to 4.2% (from 4.5%), effective July 1, 2023. The gross receipts tax is South Dakota's sales tax equivalent.

Read a [March 2023 report](#) prepared by KPMG LLP

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